

Initial Application Part I

Received: 12/06/2019

This application is placed in file for record. It MAY or MAY NOT have been reviewed to be determined Administratively Complete

VR55S-191206-C-1080

Revised March 23, 2017

RECEIVED: 12/6/19	REVIEWER: BLL	TYPE: SWD	APP NO: pBL1934054649
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: <u>Probity SWD LLC</u>	OGRID Number: <u>296278</u>
Well Name: <u>Tyson Lea 01D</u>	API: <u>30-025-xxxxx</u>
Pool: <u>Proposed: SWD- Devonian-Silurian</u>	Pool Code: <u>97869</u>

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location – Spacing Unit – Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD **SWD-2344**

- B. Check one only for [I] or [II]
 [I] Commingling – Storage – Measurement
 DHC CTB PLC PC OLS OLM
 [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Stuart Doss

Print or Type Name



 Signature

Dec. 3, 2019
Date

(432) 215-9707
Phone Number

Stuart@ProbitySWD.com
e-mail Address

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL
RESOURCES DEPARTMENT

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance XXX Disposal _____ Storage
Application qualifies for administrative approval? _____ Yes _____ No
- II. OPERATOR: Probity SWD LLC
ADDRESS: PO Box 7307, Midland, TX 79708
CONTACT PARTY: Stuart Doss PHONE: (432) 215-9707
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? _____ Yes X No
If yes, give the Division order number authorizing the project: N/A
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
 1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Stuart Doss

TITLE: Chief Operating Officer

SIGNATURE: _____

DATE: November 26, 2019

E-MAIL ADDRESS: Stuart@ProbitySWD.com

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

Side 2

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Side 1
OPERATOR: Probrity SWD LLC
WELL NAME & NUMBER: Tyson Lea 01D
WELL LOCATION: 1,506' FNL, 2,457' FW Unit F 9 22 South 32
 FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

INJECTION WELL DATA SHEET

<u>WELLBORE SCHEMATIC</u>	<u>WELL CONSTRUCTION DATA</u>	
<p>Well Schematic - Proposed Tyson Lea 01D API: 30-025 1506' FNL, 2457' FW, Sec. 9, T-22S, R-32E Lea County, NM</p> <p>SWD: Devonian-Silurian-Fuselman Proposed Spud Date: March 1, 2019 SWD Config. Date: May 1, 2019</p> <p>Annulus Monitored or open to atmosphere</p> <p>Injection Pressure Regulated and Volumes Reported 3180 psi Max. Surface (0.2 psi per foot)</p> <p>Surface Casing 20.0" - 94.0# K-55 Csg (26.0" hole) @ 1,150' 1700 sx - Circulated to surface</p> <p>Intermediate Casing 13.375" - 68.0# Casing (17.5" Hole) @ 4,850' 1550 sx - Circulated to Surface</p> <p>2nd Intermediate Casing 9.875" - 62.8# Q-125 Csg (12.25" Hole) @ 12,600' 2,300 sx - staged, circulate to Surface (DV @ 4,800)</p> <p>Production Casing 7.625" - 39.0# P-110 Csg (8.5" Hole) 11,700' to 15,900' 450 sx CIs H - TOC @ Top of LNR</p> <p>Well Completion Notes: Formation Tops are Estimated. Disposal will be into the Devonian, Silurian and Fuselman formations only. Top of the Devonian is estimated at 15,900'. Actual Completion Depths will be Determined by Mud Logs and Openhole Logs staying sure</p> <p>Well Completion Details: Annulus Loaded w/ Inert Packer Fluid Split-string Tubing Transition - 11,840' 6.8" to Liner w/ 6.0" Flush Joint Inside Liner IPC tubing set in PKR - 10,800' (within 100' of uppermost disposal interval) 6.8" Openhole Interval: 15,900' - 17,250' DTD @ -17,250'</p> <p>Probrity SWD, LLC</p> <p>Drill and set casing as designed w/ all strings cemented to surface. Inst all 7.625" liner @ -15,900' w/ 450 sx to TOL. Drill 6.5" openhole to approx. 17,250' TD w/ mudlog for interval/formation verification. Acidize formation run 5.5" (5.0" FJ inside liner) injection tubing on packer set at 15,800' and conduct OCD-witnessed MIT. Well ready for injection upon completion of surface facilities.</p>	<u>Surface Casing</u>	
	Hole Size: 26"	Casing Size: 20"
	Cemented with: 1,700 sx.	or _____ ft ³
	Top of Cement: 0 TVD (surface)	Method Determined: Circulate to Surface
	<u>Intermediate Casing</u>	
	Hole Size: 17.5"	Casing Size: 13.375" 68#/ft.
	Cemented with: 1,550 sx.	or _____ ft ³
	Top of Cement: 0' TVD (surface)	Method Determined: Circulate to Surface
	<u>2nd Intermediate Casing</u>	
	Hole Size: 12.25"	Casing Size: 9.875" Q-125 62.8#/ft.
Cemented with: 2,300 sx.	or _____ ft ³	
Top of Cement: 0' TVD (surface)	Method Determined: Circulate to Surface	
<u>Production Casing</u>		
Hole Size: 8.5"	Casing Size: 7.625" 39#/ft. P-110	
Cemented with: 450 sx	Or _____	
Top of Cement: 11,700'	Method Determined: Vol. calculated to top of prod/lnr casing.	
Injection Interval: 15,900' - 17,250'		
Total Depth: 17,250'		
Openhole Completion: 15,900' - 17,250'		

Side 2

Tubing Size: 5.5" to 5" Lining Material: Internally plastic coated 5.5" above production casing, 5.5" within production casing

Type of Packer: Arrow-set retrievable

Packer Setting Depth: 15,800'

Other Type of Tubing/Casing Seal (if applicable): N/A

Additional Data

1. Is this a new well drilled for injection? Yes
If no, for what purpose was the well originally drilled? N/A
2. Name of the Injection Formation: Devonian-Silurian
3. Name of Field or Pool (if applicable): 97869
4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. No (N/A)
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Estimated formation tops in this area:

B/Fresh Water	350'
T/Rustler	1,077'
Delaware Lamar	4,848'
Cherry Canyon	5,758'
Bone Spring	9,523'
Wolfcamp	11,839'
Strawn	13,177'
Atoka	13,637'
Morrow	13,987'
Mississippian	14,797'
Woodford Shale	15,758'
Devonian	15,900'
Fusselman	16,379'
TD Montoya	17,250'
Ellenberger	20,800'

12/4/2019

nmwrrs.ose.state.nm.us/nmwrrs/ReportProxy?queryData=%7B"report"%3A"drillerLog"%2C%0A"BasinDiv"%3A"true"%2C%0A"Basin"%3...



New Mexico Office of the State Engineer Wells with Well Log Information

Converted to UTM NAD 83 (meters)

No wells found.

Basin/County Search:

County: Lea

UTM NAD 83 Radius Search (in meters):

Easting (X): 489914.908

Northing (Y): 3485956.416

Radius: 1609.3

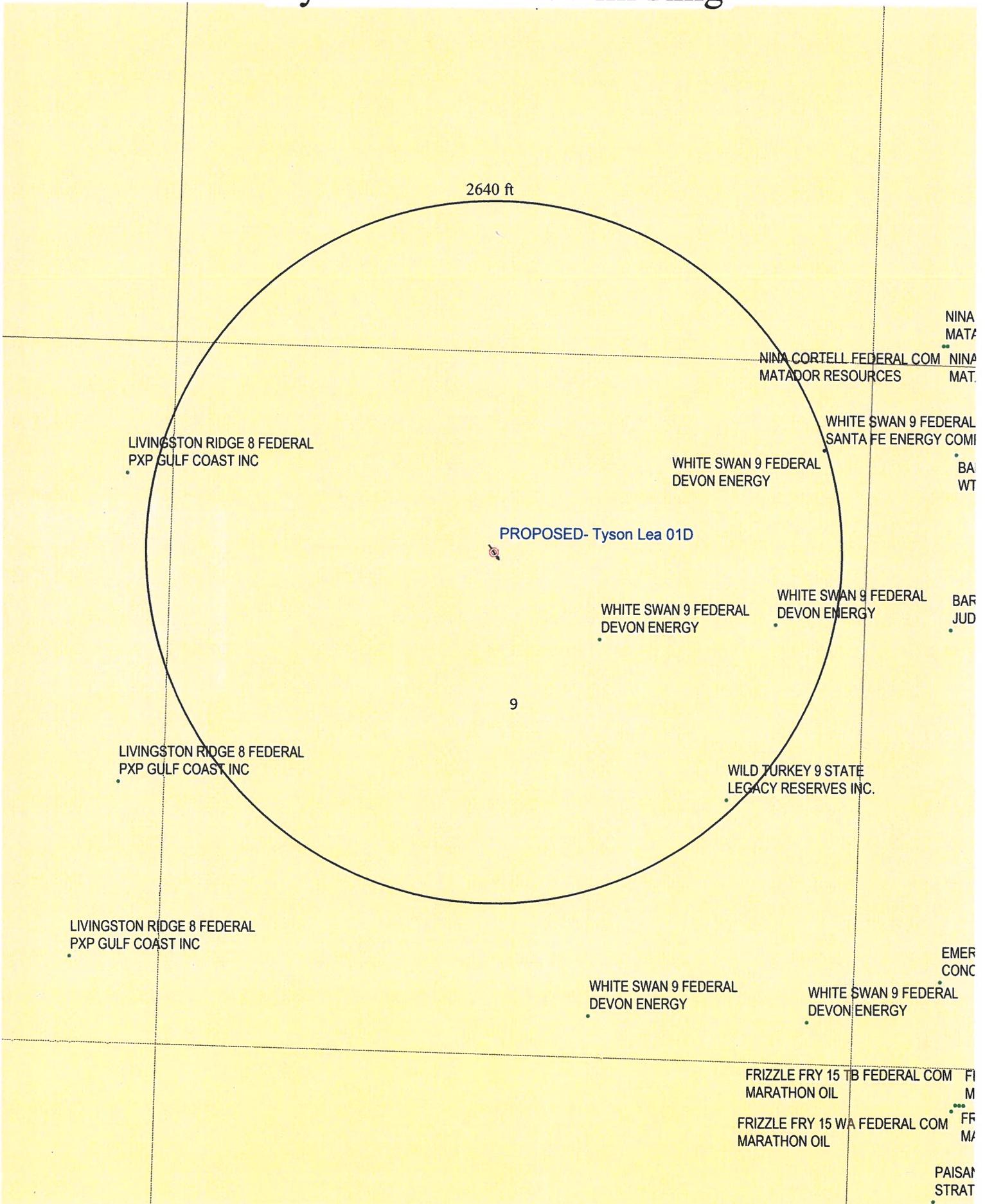
The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for particular purpose of the data.

12/4/19 3:32 PM

WELLS WITH WELL LOG INFORMATION

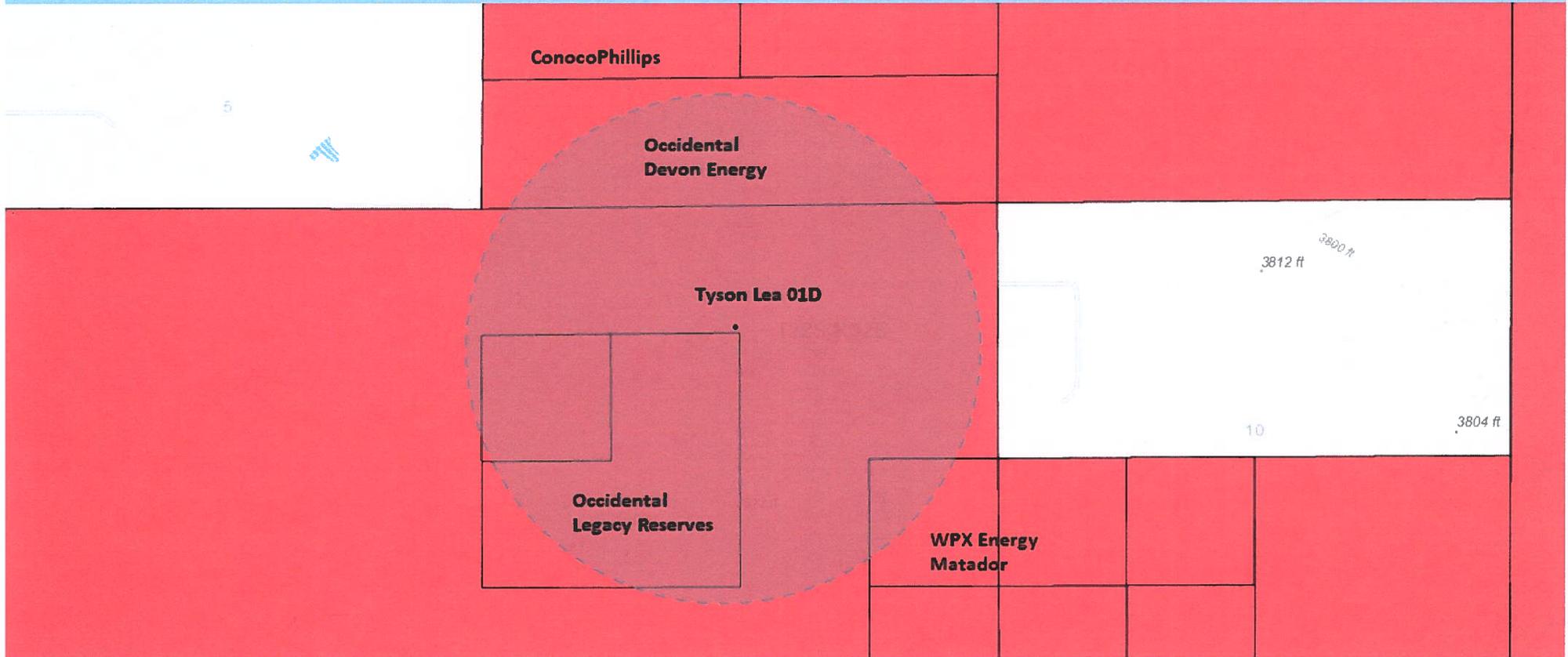
Tyson Lea OLD

Tyson Lea 01D 1/2-mi Ring



(Default) SAVE SAVE AS

VIR



(PLAY ASSESSMENTS) PERMITS RIGS LANDTRAC LEASE LANDTRAC UNIT **COMPANY ACREAGE** DEALS FOR SALE TRANSACTIONS

▼ SUM(Area (Gross Ac MAX(Shapefile Update Count

366122.07	08-02-2019	1
326864.48	10-16-2019	1 Will NOT notify
150978.93	11-06-2019	1
149484.66	11-13-2019	1
101130.45	08-22-2019	1
94693.22	04-01-2019	1
15023.27	09-24-2019	1
11654.65	04-01-2019	1

Neighboring lessees
 Tyson Lea 01D
 Proximity SWID LLC



NOTIFICATION TO INTERESTED PARTIES
via U.S. Certified Mail – Return Receipt Requested

December 3, 2019

To Whom It May Concern:

Probity SWD LLC in Midland, Texas, has made application to the New Mexico Oil Conservation Division to drill and complete a Saltwater Disposal well called in the Devonian-Silurian formation called 'Tyson Lea No. 01D'. The proposed commercial operation will be for disposal-by-injection for operators in the area. As indicated in the notice below, the well is located in Section 9, Township 22 South, Range 32 East in Lea County, New Mexico.

The published notice states that the interval will be from 15,900 feet to 17,250 feet into the Devonian (Silurian) and Fusselman formations.

Please find below the notice published in the Hobbs News-Sun, Hobbs, New Mexico on or about December 6, 2019.

Probity SWD LLC, PO Box 7307, Midland, TX 79708 is filing form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for a saltwater disposal well. The proposed well, the Tyson Lea No. 01D, will be located 1,506' FNL, 2,457' FWL, Section 9, Township 22 South, Range 32 East, Lea County, New Mexico. Produced water from area production will be commercially disposed into the Devonian (Silurian) and Fusselman formations at a depth of 15,900' to 17,250' at a maximum surface pressure of 3,180 psi and a rate limited only by such pressure. The proposed SWD well is located approximately 26 mi NE of Loving, NM.

Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francie Dr., Santa Fe, NM 87505, (505) 476-3460 within 15 days of the date of this notice. Additional information may be obtained from the applicant's agent, PermitsWest (505) 466-8120.

You have been identified as a party who may be interested as an offset lessee or operator, and as such, you are entitled to a full copy of the application. A full copy in PDF format is posted on the Probity SWD LLC DropBox site and is available for immediate download at:

<https://www.dropbox.com/sh/c5kb8ulofmpb9gr/AADCX6EKSjDVhBouUbz1p3FZa?dl=0>

The link to this file will be active for 30 days from the date of this letter.

If you have questions or concerns, or if you would prefer document delivery by e-mail you may send message me at Stuart@ProbitySWD.com.

Highest Regards,
Probity SWD LLC

A handwritten signature in blue ink, appearing to read "Stuart Doss", is written over the typed name.

Stuart Doss
Chief Operating Officer

PO Box 7307
Midland, TX 79708
(432) 570-1122

Surface
owner

U.S. Postal Service
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ABERNATHY, TX 79311

OFFICIAL USE

Certified Mail Fee	\$3.50
Extra Services & Fees (check box, add fee as appropriate)	\$0.00
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input checked="" type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$0.55
Total Postage and Fees	\$4.05

Sent To: **F.J. Mills**
Street and Apt. No., or PO Box No.
1602 Avenue J
City, State, ZIP+4®
Abernathy, TX 79311

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

7019 1120 0000 0769 2380

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SANTA FE, NM 87504

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<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$0.55
Total Postage and Fees	\$4.05

Sent To: **State of NM - Oil & Gas**
Street and Apt. No., or PO Box No.
310 Old Santa Fe Trail
City, State, ZIP+4®
Santa Fe, NM 87504

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

Neighboring landowner

7019 1120 0000 0769 2397

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CARLSBAD, NM 88220

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<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$0.55
Total Postage and Fees	\$4.05

Sent To: **U.S. Dept. of Interior - BLM**
Street and Apt. No., or PO Box No.
670 E. Greene St.
City, State, ZIP+4®
Carlsbad, NM 88220

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

Neighboring landowner

neighboring/affected operator

7019 1120 0000 0769 2359

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HOUSTON, TX 77006

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Extra Services & Fees (check box, add fee as appropriate)	\$0.00
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input checked="" type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$0.55
Total Postage and Fees	\$4.05

Sent To: **Conoco Phillips**
Street and Apt. No., or PO Box No.
PO Box 2197
City, State, ZIP+4®
Houston, TX 77006

neighboring/affected oper.

7019 1120 0000 0769 2489

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HOUSTON, TX 77006

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<input checked="" type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$0.55
Total Postage and Fees	\$4.05

Sent To: **Occidental Petroleum Corp.**
Street and Apt. No., or PO Box No.
5 Greenway Plaza Ste. 110
City, State, ZIP+4®
Houston, TX 77006

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DALLAS, TX 75240

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Extra Services & Fees (check box, add fees as appropriate)	\$0.00
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input checked="" type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$0.55
Total Postage and Fees	\$4.05

Sent To
 Matador Resources
 Street and Apt. No., or PO Box No.
 5400 LBJ Fwy Ste. 1500
 City, State, ZIP+4®
 Dallas, TX 75240

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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OKLAHOMA CITY, OK 73102

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<input checked="" type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$0.55
Total Postage and Fees	\$4.05

Sent To
 Devon Energy
 Street and Apt. No., or PO Box No.
 333 W. Sheridan St.
 City, State, ZIP+4®
 Oklahoma City, OK 73102-50

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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OKLAHOMA CITY, OK 73102

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<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input checked="" type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$0.55
Total Postage and Fees	\$4.05

Sent To
 WPX Energy Permian
 Street and Apt. No., or PO Box No.
 210 Park Ave. Ste. 700
 City, State, ZIP+4®
 Oklahoma City, OK 73102

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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MIDLAND, TX 79701

OFFICIAL USE

Certified Mail Fee	\$3.50
Extra Services & Fees (check box, add fees as appropriate)	\$0.00
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input checked="" type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$0.55
Total Postage and Fees	\$4.05

Sent To
 LEGACY RESERVES
 Street and Apt. No., or PO Box No.
 303 W. Wall St. Ste. 1800
 City, State, ZIP+4®
 Midland, TX 79701

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

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ARLINGTON, TX 76011

OFFICIAL USE

Certified Mail Fee	\$3.50
Extra Services & Fees (check box, add fees as appropriate)	\$0.00
<input type="checkbox"/> Return Receipt (hardcopy)	\$0.00
<input checked="" type="checkbox"/> Return Receipt (electronic)	\$0.00
<input type="checkbox"/> Certified Mail Restricted Delivery	\$0.00
<input type="checkbox"/> Adult Signature Required	\$0.00
<input type="checkbox"/> Adult Signature Restricted Delivery	\$0.00
Postage	\$0.55
Total Postage and Fees	\$4.05

Sent To
 U.S. Energy Dev. Corp
 Street and Apt. No., or PO Box No.
 1521 N. Cooper St. Ste 400
 City, State, ZIP+4®
 Arlington, TX 76011

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

Neighboring / effected operators.

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
December 06, 2019
and ending with the issue dated
December 06, 2019.

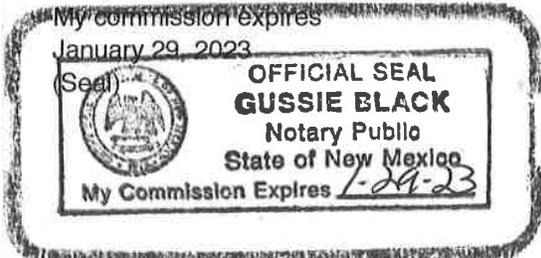


Publisher

Sworn and subscribed to before me this
6th day of December 2019.



Business Manager



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL	LEGAL
LEGAL NOTICE DECEMBER 6, 2019	
<p>Probity SWD LLC, PO Box 7307, Midland, TX 79708 is filing form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for a saltwater disposal well. The proposed well, the Tucker Lea No. 01D, will be located 1,033' FNL, 110' FEL, Section 10, Township 22 South, Range 32 East, Lea County, New Mexico. Produced water from area production will be commercially disposed into the Devonian (Silurian) and Fusselman formations at a depth of 15,900' to 17,250' at a maximum surface pressure of 3,180 psi and a rate limited only by such pressure. The proposed SWD well is located approximately 27 mi NE of Loving, NM.</p> <p>Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505, (505) 476-3460 within 15 days of the date of this notice. Additional information may be obtained from the applicant's agent, PermitsWest (505) 466-8120.</p> <p>AND</p> <p>Probity SWD LLC, PO Box 7307, Midland, TX 79708 is filing form C-108 (Application for Authority to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for a saltwater disposal well. The proposed well, the Tyson Lea No. 01D, will be located 1,506' FNL, 2,457' FWL, Section 9, Township 22 South, Range 32 East, Lea County, New Mexico. Produced water from area production will be commercially disposed into the Devonian (Silurian) and Fusselman formations at a depth of 15,900' to 17,250' at a maximum surface pressure of 3,180 psi and a rate limited only by such pressure. The proposed SWD well is located approximately 26 mi NE of Loving, NM.</p> <p>Interested parties wishing to object to the proposed application must file with the New Mexico Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505, (505) 476-3460 within 15 days of the date of this notice. Additional information may be obtained from the applicant's agent, PermitsWest at (505) 466-8120.</p> <p>#34955</p>	

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AMITHY CRAWFORD
PROBITY SWD, LLC
PO BOX 7307
MIDLAND, TX 79708

Seismic Risk Assessment

Probity SWD, LLC

Tyson Lea No. 01D

Section 9, Township 22 South, Range 32 East

Lea County, New Mexico

Cory Walk

A handwritten signature in black ink that reads "Cory Walk". The signature is written in a cursive style with a large, looped 'C' and 'W'.

B.S., M.S.

Geologist

Permits West Inc.

November 26, 2019

GENERAL INFORMATION

Tyson Lea #01D is located in the NW 1/4, section 9, T22S, R32E, about 25 miles northeast of Loving, NM in the Permian Basin. Probity SWD proposes the injection zone to be within the Devonian-Silurian formation through an open hole from 15,900'-17,250' below ground surface. This report assesses any potential concerns relating to induced seismicity along deep penetrating Precambrian faults or the connection between the injection zone and known underground potable water sources.

SEISMIC RISK ASSESSMENT

Historical Seismicity

Searching the USGS earthquake catalog resulted in **no (0) earthquakes above a magnitude 2.5 within 6 miles (9.7 km) of the proposed deep disposal site since 1970 (Fig. 1)**. The nearest earthquake occurred in 1984 about 12.3 miles (~19.8 km) southeast of the proposed Tyson Lea SWD site and had a magnitude of 2.9.

Basement Faults and Subsurface Conditions

A structure contour map (Fig. 1) of the Precambrian basement shows the Tyson Lea #01D is approximately 9.6 miles from the nearest basement-penetrating fault inferred by Ewing et al (1990). **Information about nearby faults based on GIS data from Ruppel et al. (2009) is listed in Table 1.**

Snee and Zoback (2018) state, "In the western part of Eddy County, New Mexico, S_{Hmax} is ~north-south (consistent with the state of stress in the Rio Grande Rift; Zoback and Zoback, 1980) but rotates to ~east-northeast-west-southwest in southern Lea County, New Mexico and the northernmost parts of Culberson and Reeves counties, Texas." **Around the Tyson Lea SWD site, Snee and Zoback indicate a S_{Hmax} direction of N075°E and an A_p of 0.60, indicating an extensional (normal) stress regime.**

Induced seismicity is a growing concern of deep SWD wells. Relatively new software developed by the Stanford Center for Induced and Triggered Seismicity allows for the probabilistic screening of deeply penetrating faults near the proposed injection zone (Walsh et al., 2016; Walsh et al., 2017). This software uses parameters such as stress orientations, fault strike/dip, injection rates, fault friction coefficients, etc. to estimate the potential for fault slip. Using the best available data as input parameters (Table 2), the Fault Slip Potential (FSP) models suggest a zero (0.00) percent chance of slip on nearby faults, inferred by Frenzel et al (1988) and Ewing et al. (1990), through the year 2040 (Fig. 2; Table 1). **This model also suggests a pore pressure increase of 10.1 psi on the nearest fault (Fault 13; Fig. 3; Table 1) by the year 2042.** Geomechanical modeling shows that the primary fault of concern (fault 14) would need a pressure increase of 3220 psi in order to reach a 100% probability of slip on the fault. Even a 50% probability requires an increase of 1100 psi which is far greater than the modeled increase of 10.1 psi (Fig. 3).

GROUNDWATER SOURCES

Quaternary Alluvium acts as the principal aquifer used for potable ground water near the Tyson Lea #01D location (Hendrickson and Jones, 1952). Nicholson and Clebsch (1961) state, "Potable ground water is not available below the Permian and Triassic unconformity but, because this boundary is not easily defined, the top of the Rustler anhydrite formation is regarded as the effective lower limit of 'potable' ground water." Around the Tyson Lea #01D, the top of a thick anhydrite unit interpreted to represent the Rustler Formation lies at a depth of ~1070 feet bgs.

STRATIGRAPHY

Thick permeability barriers exist above (Woodford shale; 155 ft thick) and below (Simpson Group; 500 ft thick) the targeted Devonian-Silurian injection zone (Plate 2, Comer et al., 1991; Fig. 8, Frenzel et al., 1988). Well data indicates approximately 14,830 ft of rock separating the top of the Devonian from the previously stated lower limit of potable water at the top of the Rustler anhydrite formation.

CONCLUDING STATEMENT

After examination of publically available geologic and engineering data, there is no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

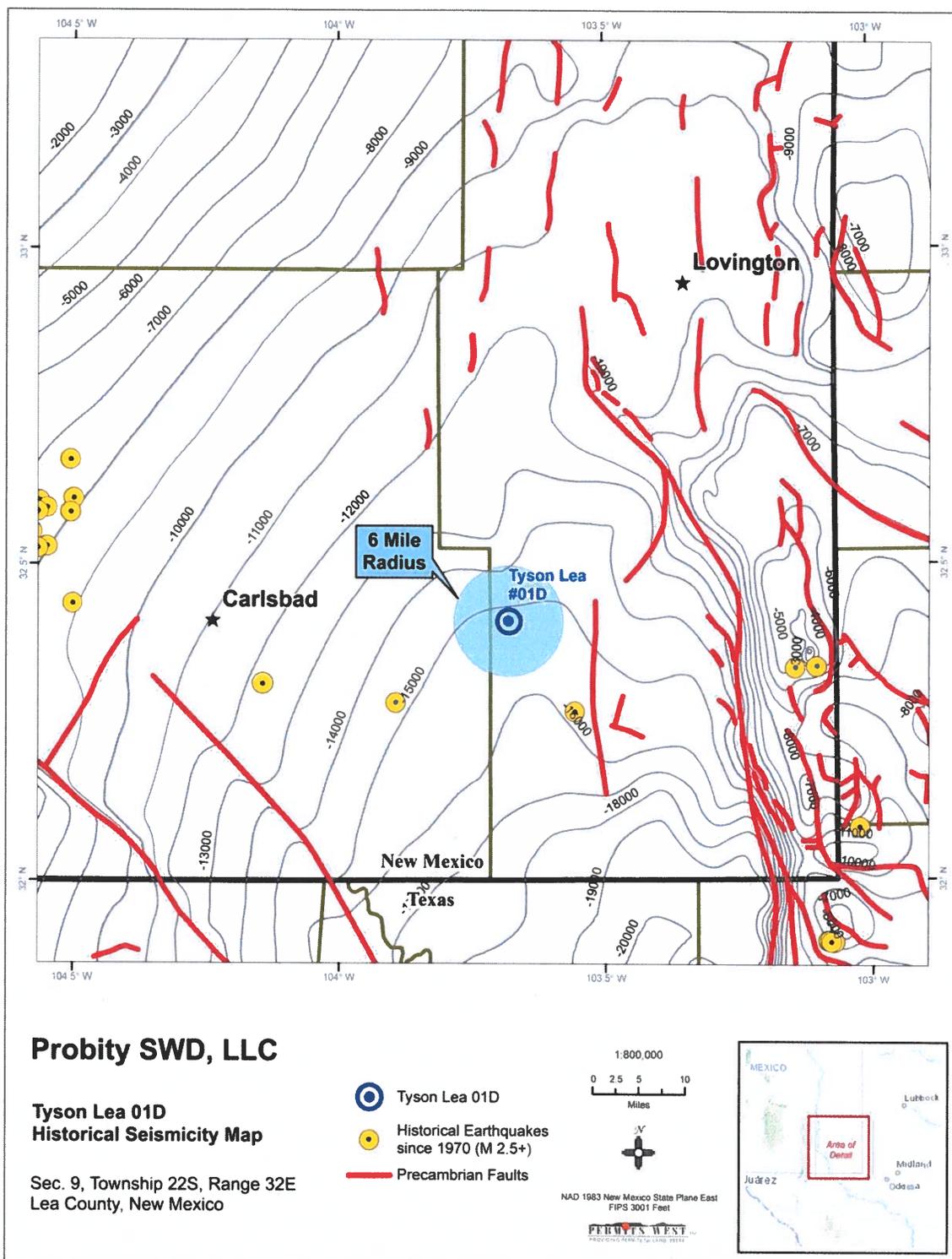


Figure 1. Structural contour map of the Precambrian basement in feet below sea level. Red lines represent the locations of Precambrian basement-penetrating faults (Ewing et al., 1990). The Tyson Lea #01D well lies ~9.6 miles west of the closest deeply penetrating fault and ~12.3 miles northwest from the closest historic earthquake.

Table 1: Nearby Basement Fault Information

ID	Distance from proposed Tyson Lea SWD (mi)	Strike (°)	Dip (°)	FSP	Pore Pressure change after 20 years (psi)
Fault 13	9.6	359	50-90	0.00	10.1
Fault 14	13.7	27	50-90	0.00	2.0

Table 2: Fault Slip Potential model input parameters

Faults	Value	Notes
Friction Coefficient	0.58	Ikari et al. (2011)
Dip Angle (deg)	70	Snee and Zoback (2018)
Stress		
Vertical stress gradient (psi/ft)	1.1	Hurd and Zoback (2012)
Max Horizontal Stress Direction (deg)	75	Snee and Zoback (2018)
Depth for calculations (ft)	17000	Proposed injection zone
Initial Reservoir Pressure Gradient (psi/ft)	0.7	calculated from mud wt (ppg) used in drilling at these depths
A Phi Parameter	0.60	Snee and Zoback (2018)
Reference Friction Coefficient	0.58	Ikari et al. (2011)
Hydrology		
Aquifer thickness (ft)	1300	Proposed injection zone
Porosity (%)	6	
Permeability (mD)	150	
Injection Rate (bbl/day)	30000	Maximum proposed injection rate

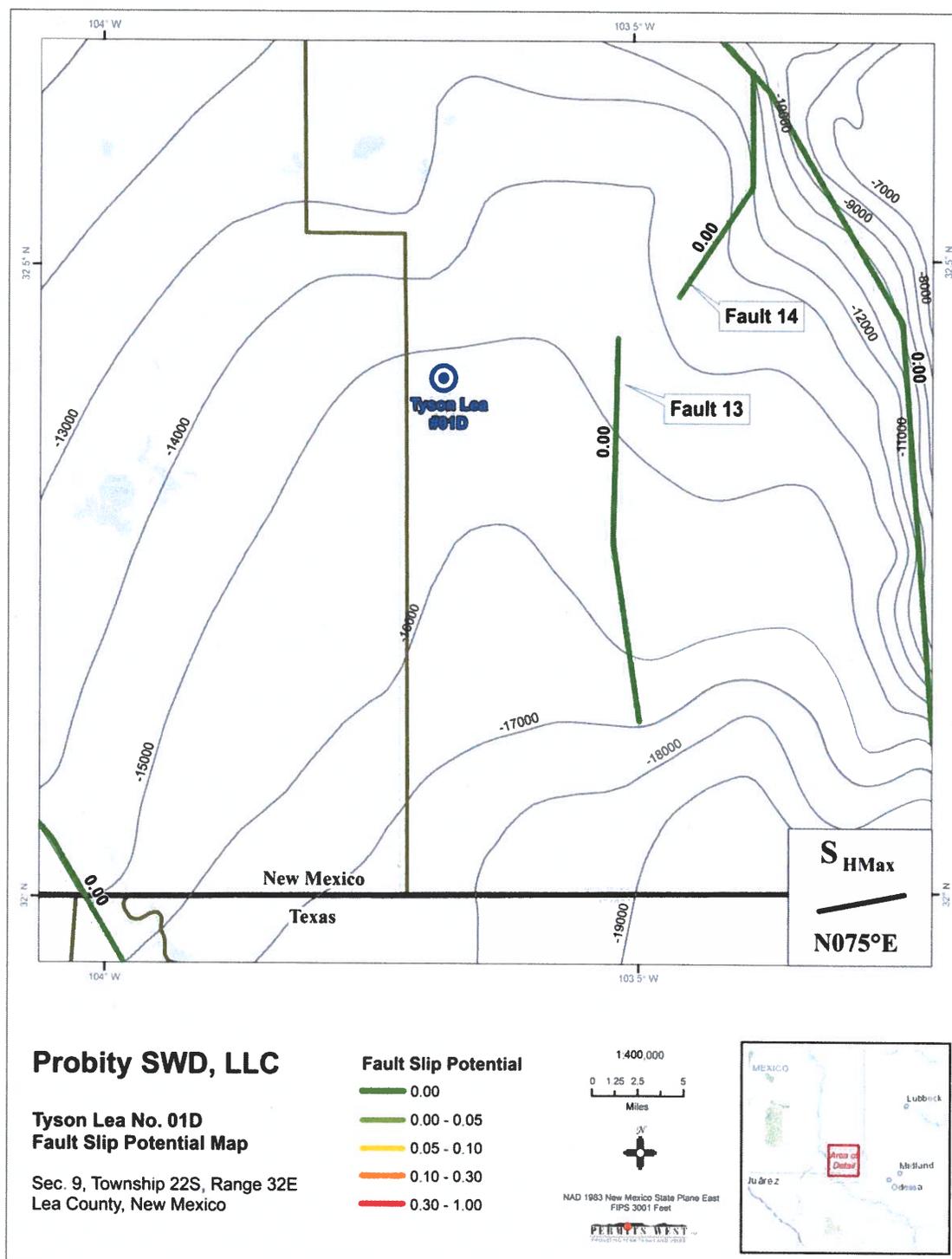


Figure 2. Precambrian fault map of Carlsbad, NM area as mapped by Ewing et al. (1990). Faults are colored based on probability of fault slip as modeled using Fault Slip Potential software (Walsh and Zoback, 2016). Labeled values represent the calculated fault slip potential using the parameters indicated in Table 2. Contours show the top of the Precambrian basement in feet below sea level.

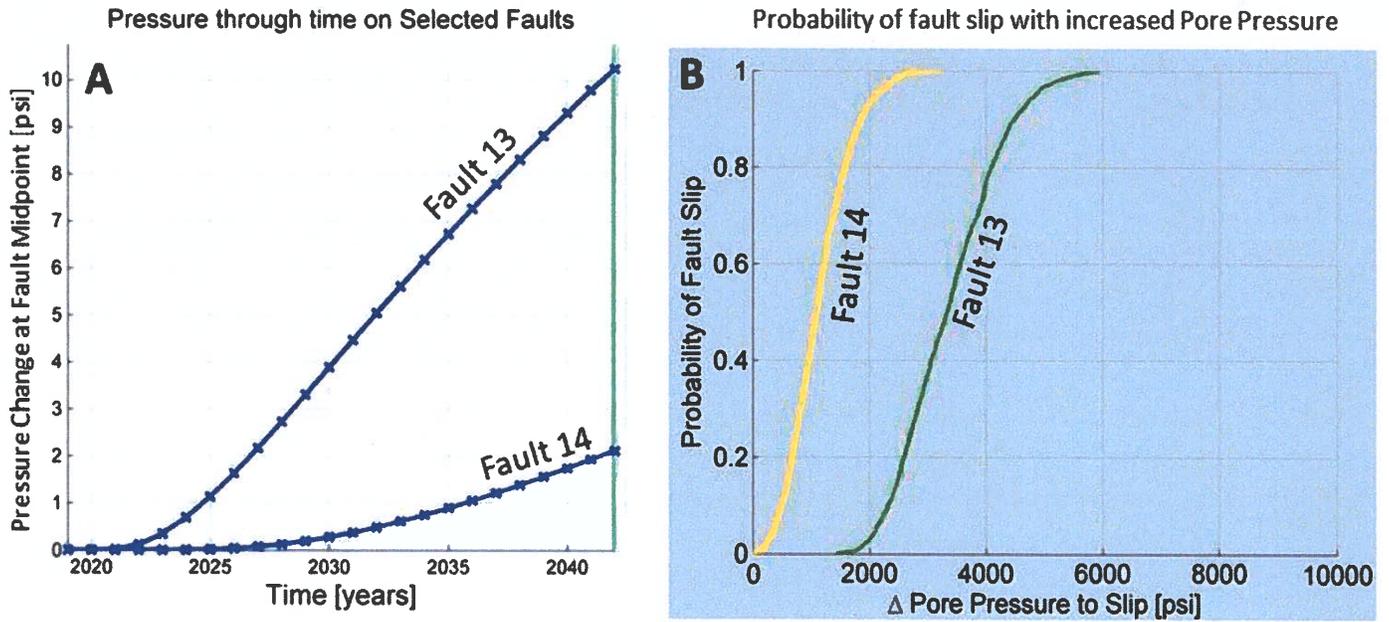


Figure 3. A) Plot showing the modeled change of pore pressure on faults 13 and 14 through time as a response to the proposed SWD well. B) Plot showing the required pore pressure increase needed to produce specific probabilities of fault slip on faults 13 and 14.

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